Testimony of

Thad W. Allen
Admiral, U.S. Coast Guard (retired)

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Introduction

Chairman McCaul, Ranking Member Keating, and members of the subcommittee, thank you for the opportunity to provide testimony today.

Let me first congratulate you Mr. Chairman and the committee for addressing an important issue. I have been involved with the Department since its inception and welcome the opportunity to discuss the linkage between employee morale and and personal and organizational performance.

I am testifying today in my capacity as a private citizen and the views expressed by me are not intended to represent any government agency or private firm. A summary of my work experience and experience related to the missions of the Department of Homeland Security are provided at the conclusion of this statement.

Max Stier, the President of the Partnership for Public Service is a member of the next panel and is best suited to discuss in detail their report *Best Places To Work In The Federal Government.* My perspective today is one of a leader who served in the Department of Homeland Security since its inception and as a coworker and colleague of the men and women who serve or have served in the components that make up the Department for over forty years. My comments also reflect my experience leading large complex responses across the federal government that demand unity of effort to meet our commitment to the American public.

Morale

Let me state at the outset that it is my belief that morale is not an objective to be achieved in an organization. It is rather the natural by product of high performing people and organizations. It is a measure of the collective understanding by employees of the mission and their role in the organization and an acknowledgement that the conditions in which they work enable them to succeed.

When there is a shared vision of the mission, commitment to the shared values of an organization and strong and effective leadership that enables employees to be successful morale "happens." Creating such an environment is not necessarily easy and cannot be accomplished overnight. It is the collective impact of workplace conditions, the quality of front line supervisory leadership, the mission support structure that enables mission execution, and an enduring commitment by senior leaders to the concept that mission performance starts and ends with people.

Organizational Context

It is my opinion that there are three environments that collectively interact with individual performance and therefore impact morale.

The Workplace Environment

At a very basic and personal level, morale is the collective effect and interaction of individual aspirations, interpersonal relationships, workplace conditions, and front line supervisory leadership that that drive employee performance. From this view, to paraphrase your former colleague Tip O'Neill, all "morale is local." At this level the greatest organizational impacts on employee morale in my view are (1) the quality of frontline supervisory leadership and (2) the work environment … the physical surroundings, support structures, work tools, and co-workers. This applies equally to deployed units, field offices and headquarters staffs.

The Department or Agency Environment

Beyond the immediate work environment factors that impact personal and organizational performance are legislative authorities that define the mission and structure and effectiveness of the organization. Specifically, I am referring to the capability and capacity of the enterprise to execute the mission, the real or perceived competency of the organization (internally and externally), and ultimately the understanding of the individual of their role and their value in that structure. Critical to employee understanding of their role in this larger context is clear, unambiguous communication by leaders on mission and core values.

The Federal Government Environment

Finally, the overall structure of the federal government and its real or perceived competency to meet its social contract with the American public is something that every government employee feels and understands. I have stated repeatedly in various fora that is important to distinguish between the difficult choices that are required to deal with shrinking budgets and the value of public service. We do a great disservice to hundreds of thousands of federal employees when a constrained fiscal environment is interpreted as a referendum on the value of public service.

Pre-existing Organizational Issues Create Complexity And Challenges

It is difficult to discuss employee morale in DHS without first acknowledging the conditions under which the Department was created and the degree of difficulty associated with "retrofitting" basic organizational structure and capabilities. This issue is greatly misunderstood but any discussion regarding departmental performance and morale must acknowledge it. We need to understand that different elements and components of the Department were created and now exist within radically different structures and are in different stages organizational life cycle and maturity, including the departmental headquarters. For example, the highest scoring departmental agencies in the rankings (Coast Guard and Secret Service) were moved intact to DHS in 2003 with minimal disruption to ongoing operations. While TSA was transferred intact, the organization was still being built. CBP and ICE, on the other hand, were created largely from reorganized INS and Customs functions with the attendant challenges of integrating work forces,

different collective bargaining structures, different grade structures, and operating procedures. Still other entities such as the Domestic Nuclear Detection Office, Science and Technology, and Intelligence and Analysis were created from "whole cloth" by legislation and had no precursors.

The process was further complicated by the inelegant redistribution of base funding from legacy departments and agencies due to a lack of historical cost information (the Department was created in the middle of a fiscal year with reprogrammed funds and did not receive an annual appropriation until FHY 2004). OMB has pressed for efficiencies throughout the life of the Department without first acknowledging that capability, competency, and capacity are precursors to cost savings (IT savings were sought in the transition process when new investment was required).

The Department's Fiscal Year 2013 Budget Justifications reveals little consistency in budget presentation or treatment of standard organizational costs such as personnel, operating expenses, capital investment, programs of record, or support costs such as information technology. While progress has been made to standardize budget submissions the basic structure of appropriations remains different in each component and is an indicator of the enduring challenge of functional integration in DHS. While these issues sound bureaucratic and removed from actual work environments, there are few employees in the Department that are not aware of the challenges associated with maturing the enterprise.

Improved Individual and Organizational Performance Positively Impacts Morale

An exhaustive evaluation of every factor that impacts employee morale is well beyond the scope of my testimony today. Accordingly, I would like to focus on a few areas that I believe offer the best opportunities to improve organizational and individual performance and by extension morale. It is not surprising that these recommendations also contribute to a more integrated, functionally aligned department that is more capable of mission execution.

- Develop Leaders That Retain Employees And Create Unity of Effort
- Provide The Tools, Capabilities, And Competencies That Enable Personnel To Succeed In The Work Place
- Create A Mission Support Architecture To Generate and Sustain The Capability and Capacity of the Enterprise to Execute the Mission
- Integrate The Planning and Coordination Of Mission Execution That Reflects Internal Unity Of Effort And External Interagency Leadership

Develop Leaders That Retain Employees And Create Unity of Effort:

The federal government has struggled for decades to create a strategic and comprehensive leadership development framework. The government wide effort has been attenuated by various individual mandates to develop training programs within communities of interest such as the intelligence community, national security organization, Defense Department, State Department and others. The spotty collective performance of these initiatives has less to do with their content than the lack of sustained commitment at the highest levels of the organization that protects, nurtures, and celebrates the process that produces leaders, an earmark of successful and sustained military professional and leadership development.

As a strong supporter of the current DHS Fellows program I can personally attest to the fact that the program is valued and celebrated by the cohort that has received the training and the program is helping to build cohesion within the department. I also strongly support the evolving DHS leadership framework that focuses on employees at all levels. That fact however carries little weight with budget reviewers and examiners and these programs are often the first casualty of internal reviews, OMB passbacks, and budget negotiations that focus on large, high dollar programs and policies at the expense of the basics of organizational success. As a result these programs are often funded from year end "fall out" funds or reprogrammed funds from other programs when available. Mr. Chairman, these are not huge amounts of money but the return on investment is considerable. The leadership development program in Homeland Security should fence off a budget line item that allows multi-year planning, promotes consistency of program execution, and demonstrates senior leader commitment. While current programs begin with senior leader training, I would focus on improving the skills of front line supervisors who have a significant impact on employee performance and morale.

Provide The Tools, Capabilities, And Competencies That Enable Personnel To Succeed In The Work Place:

As noted earlier one facet of employee morale is their sense of the commitment of their organization and leaders to them through the tools they are provided to do their jobs. To that end, physical facilities, information technology, communications, specialized training, access to enterprise information, performance systems, collective bargaining structures, employee benefits, and the opportunity for organizational learning can all positively impact morale. It is well beyond the scope of my testimony to "drill down" in each of these areas regarding Departmental capability and performance. However, there are strong thematic links that can be discussed in the context of stronger component and Departmental performance. Three are discussed here.

Human Resource Systems
First, the current human resource system the Department is an aggregation of pre-existing systems from legacy agencies and departments. Early attempts to create an

all-encompassing HR system and a pay for performance structure across the Department failed and current efforts are focused on smaller incremental changes to integrate the diverse existing systems. Past failures to adequately forecast and budget for adjustments to position grades needed to integrate legacy organizations have resulted in short term emergency fixes. The Department should seek to standardize the forecasting, accounting, budgeting and funding of personnel costs within a departmental framework that is visible and comparable across departmental components and entities in the annual budget. Increased consistency and transparency in managing personnel costs will reduce uncertainty and the need for year-to-year adjustments that, in turn, create concern in the workforce.

Information Systems
Second, whether an employee executes the mission in the field or supports the mission regionally or in a headquarters, the organizational medium of exchange that propels daily operations is information. From automated license plate readers at land ports of entry, to personal radiation detectors, to passenger and cargo screening, to cost accounting information related to logistics support of aircraft, mission execution and mission support is enabled by the information that is generated by or made available to department employees. Information sharing is an enterprise challenge that I will address in the next section but we should remember that employees measure organizational commitment by how much they are empowered to know and then to act on that knowledge. The challenge can be seen in discrete parts.
- Information collection, storage, and access
- Analytical tools that convert data to decision supporting knowledge
- Platforms and devices that allow access, including visualization of knowledge to enable decision making
- Systems security

At present there are numerous efforts to improve information access for employees in the Department but it is generally focused at the component level and within individual stove piped data and communications systems. While progress has been and is being made, every effort must be made to put state of the art information technology tools in the hands of departmental employees and those tools must be integrated across components.

Workplace Integration, Building A Unified Team
Every DHS component and headquarters office has a noble and worthy mission to protect the American public. Some components such as Customs and Border Protection and the Coast Guard have legacies that span two centuries of service. However, the promise of the Homeland Security Act was knit these functions and activities into a unified, cohesive enterprise.

The entering argument for unity of effort at the working level is trust. The formula for trust is (1) a shared vision of the mission, (2) a commitment to share expertise and information, and (3) the ability to represent a parent organization without

allowing parochial policy, budget, or cultural issues to cloud effective participation and the success of the larger "good." When employees see their leaders creating this type of work environment they are motivated to improve their performance as well.

I have seen this demonstrated in countless venues across the Department where effective teams work side-by-side, tirelessly everyday to executive the mission. The challenge is that this model is not present everywhere. Where it exists morale is high, where there is no trust employees revert to governing policies that protect the resources and discretion of their component, regardless of the mission requirement or the demands of the situation. These situations erode the rationale for the Department's creation and inhibit the maturation of the Department as a leader across government.

The ability to integrate effort in the field is affected by (1) facility decisions that restrict, do not allow or fail to facilitate colocation, (2) stove piped data systems that make access to even DHS counterpart's information difficult, and (3) local leadership challenges where supervisors are hesitant or unwilling to partner and collaborate. Similar challenges exist in Washington where components are physically separated from the Departmental headquarters and there is a proliferation of command centers.

Create A Mission Support Architecture To Generate and Sustain The Capability and Capacity of the Enterprise to Execute the Mission:

During my first two years as Commandant of the Coast Guard I initiated a sweeping transformation of our mission support structure to build a more effective organization to enable mission execution. That transformation continues today. To demonstrate my commitment to this change I participated in a number of All Hands meetings throughout the Coast Guard. I explained the mandate for improved mission support in simple terms. If you work for the Coast Guard (or any governmental agency for that matter), you do one of two things: you either execute the mission or you support mission execution. If your daily work cannot be explained by either of these, one of two mistakes has occurred. The task has not been fully explained or the task in not needed.

A significant driver of employee morale is the ability for the employee to connect their daily work to the agency mission. Everyone has heard the classic story of the janitor at a NASA facility who was asked what he did and his response was "I put men on the moon!" As noted earlier, the first decade of the existence of the Department of Homeland Security has been challenging and earmarked by (1) public "zero tolerance" for failure, (2) unrelenting media scrutiny, (3) duplicative oversight, and (3) the inevitable immediate public discourse and referendum on departmental performance while operations are being conducted. In this environment it is easy to become captive to what I call the "tyranny of the present." That said, it is critically important to preserve the time, effort and resources to

unambiguously define the need and create a mission support structure that enables mission execution and allows every employee to say, "I protect the homeland."

While one could argue exactly what constitutes "mission support" I think an acceptable structure would generally include the following:
- Human Resources
- Financial Management
- Information Systems and Communications (and their security)
- Acquisition Planning and Management
- Facilities Management
- Logistics and Maintenance
- Health, Safety, and Environment

The challenge in creating an integrated departmental mission support system is to combine disparate support systems that were transferred from legacy agencies with base funding contained in component appropriations. This requires a shared vision of the end state and a framework to implement needed changes. Repeated attempts at integration and/or consolidation across these functional support lines of business have not been successful. Employees know this. That said, current demand for improved performance and morale are now converging with a constrained budget environment to create a cause for action to refocus on the integration of mission support functions of the Department.

Integrate The Planning and Coordination Of Mission Execution That Reflects Internal Unity Of Effort And External Interagency Leadership:

The Department faces two major challenges in effective mission execution to achieve unity of effort and improve performance (and morale): (1) internal integration of operational planning and execution across components and mission areas and (2) creating the capability, competency, and capacity to eternalize planning and execution across the federal government and vertically with state and local governments. This fundamental process of an operating department is, in my view, is the single most impactful Departmental role that is visible to all employees. Further, it is the basis by which the Department is seen and evaluated by stakeholders, overseers, the public, and the media.

From the outset the Department has been hampered by the Balkanization of facilities and command centers, particularly in the Washington, DC area. The exigencies associated with standing up the Department rapidly and the proliferation of office locations in and around Washington has hampered the development of a central unified command center that is necessary to the effective planning and coordination of operations. The promise of a unified national operations center at the St. Elizabeth's venue appears to be in doubt.

Notwithstanding the need for physical consolidation, the Department should continue to press ahead to develop improved organizational capability to plan and execute operations, including effective information sharing and analysis, risk assessment, and the development of departmental and national doctrine to guide mission execution.

Conclusion

Mr. Chairman, the challenges faced by the Department of Homeland Security are numerous but hundreds of thousands of dedicated employees work tirelessly everyday to serve the American public. Our collective responsibility is to provide them the best leadership and tools that enable them to perform to their greatest potential. The goal should not be to try to affect survey respondents behavior to achieve a better score but to enable and empower employees to do their job and be proud of it. If you enable performance, morale will follow.

PERSONAL BACKGROUND

I am currently employed as a Senior Vice President at Booz Allen Hamilton and prior to that I served for 39 years in the United States Coast Guard. I served as the Commandant from 2006 to 2010. From 2010 to 2011 I was a Senior Fellow at the RAND Corporation. I am a Fellow in the National Academy of Public Administration, and a member of the Council on Foreign Relations. I serve on the Boards for the Partnership for Public Service, the Division of Earth and Life Sciences of the National Research Council, the Coast Guard Foundation, and the Comptroller General's Advisory Board.

Pertinent Homeland Security Experience

1. On 11 September 2001 I was the Commander of the Coast Guard Atlantic Forces.
   a. I directed the overall Coast Guard response to the terrorist attacks. Units under my command closed and secured Boston and New York Harbors and the Potomac River north of the Woodrow Wilson Bridge. The Coast Guard commander in New York City coordinated the evacuation of hundreds of thousands of people from lower Manhattan by employing an ad hoc flotilla of available vessels in the harbor.
   b. From 2001 to 2002 I worked closely with Commander, Joint Forces Command (JFCOM) and Commander, North American Defense Command (NORAD) in the development of the concept for the U.S. Northern Command (NORTHCOM). I later provided a small cell of Coast Guard personnel that became part of the team that stood up NORTHCOM.

2. From 2002 to 2006 I served as the Chief of Staff of the Coast Guard and in that capacity I was responsible for managing Coast Guard Headquarters and coordinating day-to-day activities related to planning, programming, and budgeting.

3. Following the passage of the Homeland Security Act in the Fall of 2002, I was assigned by the Commandant to manage the transfer of the Coast Guard from the Department of Transportation to the newly established Department of Homeland Security.
        a. I directed a task force that identified all existing relationships with the Department of Transportation. We then developed a plan to transition these activities to the new Department of Homeland Security, retain them within the Coast Guard or negotiate continued support by the Department of Transportation.
        b. I also assigned a senior officer and other personnel to the Transition Planning Office that was created in OMB in the fall of 2002 to prepare for the stand up of the Department.
        c. When the Department was created on 24 January 2003, I assigned Coast Guard personnel to work with DHS senior leadership to facilitate the transition, including clerical, contracting, travel, and administrative support to the Secretary and others.
        d. On 1 March 2003, the Coast Guard was transferred to DHS. We continued to provide staffing to support DHS Headquarters and I worked with both Deputy Secretary Gordon England and Under Secretary of Management Janet Hale to created the smoothest transition possible.
        e. From 2003 to 2006, I worked with Under Secretary Hale to establish a Management Council and a Joint Requirements Council (JRC) for major acquisition oversight. I chaired the JRC from 2003 to 2006.
        f. I volunteered to chair the first Combined Federal Campaign for the Department in the fall of 2003. I later served for two years as the Chairman of the National Region Campaign.
        g. In advance of the 2008 Presidential election I worked with then Under Secretary George Foresman to create the DHS Fellows Program to develop senior leaders and create a cadre of staff professionals that could be of use during the transition of administrations. That program continues today and is managed by the Partnership For Public Service.

4. From September 2005 to February 2006 I was detailed as the Principal Federal Official for the responses to Hurricane Katrina and Rita.

5. From May 2006 to May 2010 I served as the Commandant of the Coast Guard.
        a. As a component head within DHS I participated extensively in a broad spectrum of activities including operations planning and coordination, budgeting, policy development, departmental management, and crisis response and management.
        b. I was a participant in the transition of administrations following the 2008 Presidential election.
        b. I participated in the initial Quadrennial Homeland Security Review

c. I participated in the response to the Haitian earthquake in January 2010 and represented the Secretary at numerous meetings at the White House.

6. From May 2010 to October 2010 I served as the National Incident Commander for the federal response to the Deepwater Horizon explosion and subsequent oil spill. For a portion of that response (1 July to 1 Oct) I was retired from the Coast Guard and served as a Senior Executive attached to the Secretary's office.